

# SENATE MOTION

**MR. PRESIDENT:**

**I move** that Senate Bill 240 be amended to read as follows:

- 1 Delete everything after the enacting clause and insert the following:
- 2 "SECTION 1. IC 4-31-1-2 IS AMENDED TO READ AS
- 3 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 2. The ~~purpose~~
- 4 ~~purposes~~ of this article ~~is~~ **are:**
- 5 (1) to permit pari-mutuel wagering on horse races in Indiana;
- 6 (2) **to permit the sale of pari-mutuel pull tabs at racetracks in**
- 7 **Indiana;** and
- 8 (3) to ensure that **the sale of pari-mutuel pull tabs and**
- 9 pari-mutuel wagering on horse races in Indiana will be conducted
- 10 with the highest of standards and the greatest level of integrity.
- 11 SECTION 2. IC 4-31-2-1.5 IS ADDED TO THE INDIANA CODE
- 12 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 13 1, 2002]: **Sec. 1.5. "Adjusted gross receipts" means:**
- 14 (1) the total of all cash and property (including checks
- 15 received by a permit holder whether collected or not) received
- 16 by a permit holder from pari-mutuel pull tab sales; minus
- 17 (2) the total of:
- 18 (A) all cash paid out as winnings for pari-mutuel pull tabs
- 19 to patrons; and
- 20 (B) uncollectible pari-mutuel pull tab receivables, not to
- 21 exceed the lesser of:
- 22 (i) a reasonable provision for uncollectible patron checks
- 23 received from pari-mutuel pull tab sales; or
- 24 (ii) two percent (2%) of the total of all sums, including
- 25 checks, whether collected or not, less the amount paid
- 26 out as winnings for pari-mutuel pull tabs to patrons.
- 27 **For purposes of this section, a counter or personal check that is**
- 28 **invalid or unenforceable under this article is considered cash**
- 29 **received by the permit holder from pari-mutuel pull tab sales.**
- 30 SECTION 3. IC 4-31-2-11.5 IS ADDED TO THE INDIANA CODE
- 31 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 32 1, 2002]: **Sec. 11.5. "Pari-mutuel pull tab" means a game offered to**

1 the public in which a person who purchases a ticket has the  
2 opportunity to share in a prize pool, multiple prize pools, or a  
3 shared prize pool consisting of the total amount wagered in the  
4 game minus deductions by the permit holder selling the  
5 pari-mutuel pull tab and other deductions either permitted or  
6 required by law.

7 SECTION 4. IC 4-31-3-9 IS AMENDED TO READ AS FOLLOWS  
8 [EFFECTIVE JULY 1, 2002]: Sec. 9. The commission may:

9 (1) adopt rules under IC 4-22-2, including emergency rules under  
10 IC 4-22-2-37.1, to implement this article, including rules that  
11 prescribe:

12 (A) the forms of wagering that are permitted;

13 (B) the number of races;

14 (C) the procedures for wagering;

15 (D) the wagering information to be provided to the public;

16 (E) **the hours during which a racetrack may sell**  
17 **pari-mutuel pull tabs under IC 4-31-7.5;**

18 (F) fees for the issuance and renewal of:

19 (i) permits under IC 4-31-5;

20 (ii) satellite facility licenses under IC 4-31-5.5; and

21 (iii) licenses for racetrack personnel and racing participants  
22 under IC 4-31-6;

23 ~~(F)~~ (G) investigative fees;

24 ~~(G)~~ (H) fines and penalties; and

25 ~~(H)~~ (I) any other regulation that the commission determines is  
26 in the public interest in the conduct of recognized meetings  
27 and wagering on horse racing in Indiana;

28 (2) appoint employees in the manner provided by IC 4-15-2 and  
29 fix their compensation, subject to the approval of the budget  
30 agency under IC 4-12-1-13;

31 (3) enter into contracts necessary to implement this article; and

32 (4) receive and consider recommendations from an advisory  
33 development committee established under IC 4-31-11.

34 SECTION 5. IC 4-31-5-15 IS AMENDED TO READ AS  
35 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 15. **Except as**  
36 **provided in IC 4-31-7.5**, any fees or penalties collected by the  
37 commission under ~~IC 4-31-3-9(1)(E)~~ **IC 4-31-3-9(1)(F)** through  
38 ~~IC 4-31-3-9(1)(G)~~ **IC 4-31-3-9(1)(H)** shall be paid into the state  
39 general fund.

40 SECTION 6. IC 4-31-7-1 IS AMENDED TO READ AS FOLLOWS  
41 [EFFECTIVE JULY 1, 2002]: Sec. 1. (a) A person holding a permit to  
42 conduct a horse racing meeting or a license to operate a satellite facility  
43 may provide a place in the racing meeting grounds or enclosure or the  
44 satellite facility at which the person may conduct and supervise the  
45 pari-mutuel system of wagering by patrons of legal age on the horse  
46 races conducted or simulcast by the person. The person may not permit  
47 or use:

48 (1) another place other than that provided and designated by the  
49 person; or

50 (2) another method or system of betting or wagering. **However,**  
51 **a person holding a permit to conduct a horse racing meeting**

**may permit wagering on pari-mutuel pull tabs at the person's race track as permitted by IC 4-31-7.5.**

(b) Except as provided in section 7 of this chapter and IC 4-31-5.5, the pari-mutuel system of wagering may not be conducted on any races except the races at the racetrack, grounds, or enclosure for which the person holds a permit.

SECTION 7. IC 4-31-7-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 2. (a) A person less than ~~eighteen~~ **(18) twenty-one (21)** years of age may not wager at a horse racing meeting.

(b) A person less than ~~seventeen~~ **(17) twenty-one (21)** years of age may not enter the grandstand, clubhouse, or similar areas of a racetrack at which wagering is permitted unless accompanied by a person who is at least twenty-one (21) years of age.

(c) A person less than ~~eighteen~~ **(18) twenty-one (21)** years of age may not enter a satellite facility.

SECTION 8. IC 4-31-7.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]:

#### **Chapter 7.5. Pari-Mutuel Pull Tabs**

**Sec. 1. (a) This chapter applies only to the sale of pari-mutuel pull tabs by a person who holds a permit to conduct a pari-mutuel horse racing meeting issued under IC 4-31-5.**

**(b) This chapter does not apply to the sale of pull tabs by a qualified organization (as defined in IC 4-32-6-20) under IC 4-32.**

**Sec. 2. A pari-mutuel pull tab game must be conducted in the following manner:**

**(1) Each set of tickets must have a predetermined:**

**(A) total purchase price; and**

**(B) amount of prizes.**

**(2) Randomly ordered pari-mutuel pull tab tickets may be distributed from an approved location or from a distribution device to:**

**(A) the permit holder at the permit holder's racetrack or satellite facility, or both; or**

**(B) a terminal or device of the permit holder at the permit holder's racetrack or satellite facility, or both.**

**(3) A pari-mutuel pull tab ticket must be presented to a player in the form of a paper ticket or display on a terminal or device.**

**(4) Game results must be initially covered or otherwise concealed from view on the pari-mutuel pull tab ticket, terminal, or device so that the number, letter, symbol, or set of numbers, letters, or symbols cannot be seen until the concealing medium is removed.**

**(5) A winner is identified after the display of the game results when a player removes the concealing medium of the pari-mutuel pull tab ticket or display on a terminal or device.**

**(6) A winner shall receive the prize or prizes posted or displayed for the game from the permit holder.**

1       **Sec. 3. A person less than twenty-one (21) years of age may not**  
 2       **purchase a pari-mutuel pull tab ticket.**

3       **Sec. 4. The sale price of a pari-mutuel pull tab ticket may not**  
 4       **exceed ten dollars (\$10).**

5       **Sec. 5. (a) The sale, purchase, and redemption of pari-mutuel**  
 6       **pull tab tickets are limited to a live pari-mutuel horse racing**  
 7       **facility operated by a permit holder under a recognized meeting**  
 8       **permit first issued before January 1, 2002.**

9       **(b) Pari-mutuel pull tab tickets may not be sold, purchased, or**  
 10       **redeemed at any of the locations described in this section until two**  
 11       **(2) unaffiliated permit holders operate live pari-mutuel horse**  
 12       **racing facilities at two (2) separate locations.**

13       **(c) A permit holder may not install more than seven hundred**  
 14       **(700) pull tab terminals or devices on the premises of the permit**  
 15       **holder's live pari-mutuel horse racing facility.**

16       **Sec. 6. The number and size of the prizes in a pari-mutuel pull**  
 17       **tab game must be finite but may not be limited.**

18       **Sec. 7. A list of prizes for winning pari-mutuel pull tab tickets**  
 19       **must be posted or displayed at a location where the tickets are sold.**

20       **Sec. 8. A permit holder may close a pari-mutuel pull tab game**  
 21       **at any time.**

22       **Sec. 9. A terminal or device selling pari-mutuel pull tab tickets**  
 23       **may be operated by a player without the assistance of the permit**  
 24       **holder for the sale and redemption of pari-mutuel pull tab tickets.**

25       **Sec. 10. A terminal or device selling pari-mutuel pull tab tickets**  
 26       **may not dispense coins or currency as prizes for winning tickets.**  
 27       **Prizes awarded by a terminal or device must be in the form of**  
 28       **credits for additional play or certificates redeemable for cash or**  
 29       **prizes.**

30       **Sec. 11. (a) The commission, with input and assistance from the**  
 31       **Indiana gaming commission, shall adopt rules under IC 4-22-2,**  
 32       **including emergency rules under IC 4-22-2-37.1, to implement this**  
 33       **chapter, including rules that prescribe:**

34       **(1) an approval process for pari-mutuel pull tab games that**  
 35       **requires periodic testing of the games and equipment by an**  
 36       **independent entity under the oversight of the commission to**  
 37       **ensure the integrity of the games to the public;**

38       **(2) a system of internal audit controls;**

39       **(3) a method of payment for pari-mutuel pull tab prizes that**  
 40       **allows a player to transfer credits from one (1) terminal or**  
 41       **device to another;**

42       **(4) a method of payment for pari-mutuel pull tab prizes that**  
 43       **allows a player to redeem a winning ticket for additional play**  
 44       **tickets or credit to permit purchase of additional play tickets;**  
 45       **and**

46       **(5) any other procedure or requirement necessary for the**  
 47       **efficient and economical operation of the pari-mutuel pull tab**  
 48       **games and the convenience of the public.**

49       **(b) The commission may enter into a contract with the Indiana**  
 50       **gaming commission for the provision of services necessary to**

1 administer pari-mutuel pull tab games.

2 Sec. 12. The commission may assess an administrative fee to a  
3 permit holder offering pari-mutuel pull tab games in an amount  
4 that allows the commission to recover all the commission's costs of  
5 administering the pari-mutuel pull tab games.

6 Sec. 13. The commission may not permit the sale of pari-mutuel  
7 pull tab tickets in a county where a riverboat is docked.

8 Sec. 14. All shipments of gambling devices, including  
9 pari-mutuel pull tab machines, to permit holders in Indiana, the  
10 registering, recording, and labeling of which have been completed  
11 by the manufacturer or dealer in accordance with 15 U.S.C. 1171  
12 through 15 U.S.C. 1178, are legal shipments of gambling devices  
13 into Indiana.

14 Sec. 15. Under 15 U.S.C. 1172, approved January 2, 1951, the  
15 state of Indiana, acting by and through elected and qualified  
16 members of the legislature, declares and proclaims that the state  
17 is exempt from 15 U.S.C. 1172.

18 SECTION 9. IC 4-31-9-1 IS AMENDED TO READ AS FOLLOWS  
19 [EFFECTIVE JULY 1, 2002]: Sec. 1. A person that holds a permit to  
20 conduct a horse racing meeting or a license to operate a satellite facility  
21 shall withhold:

- 22 (1) eighteen percent (18%) of the total of money wagered on each  
23 day at the racetrack or satellite facility (including money wagered  
24 on exotic wagering pools, **but excluding money wagered on**  
25 **pari-mutuel pull tabs under IC 4-31-7.5**); plus
- 26 (2) an additional three and one-half percent (3.5%) of the total of  
27 all money wagered on exotic wagering pools on each day at the  
28 racetrack or satellite facility.

29 SECTION 10. IC 4-33-1-1 IS AMENDED TO READ AS  
30 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1. This article applies  
31 only to the following:

- 32 (1) Counties contiguous to Lake Michigan.
- 33 (2) Counties contiguous to the Ohio River.
- 34 (3) ~~Counties contiguous to Patoka Lake.~~ **A historic preservation**  
35 **district that:**
  - 36 (A) **is established under IC 36-7-11;**
  - 37 (B) **is located in a county having a population of more than**  
38 **nineteen thousand three hundred (19,300) but less than**  
39 **twenty thousand (20,000); and**
  - 40 (C) **includes the real property owned by the historic resort**  
41 **hotels located in:**
    - 42 (i) **a town having a population of more than one**  
43 **thousand five hundred (1,500) but less than two**  
44 **thousand two hundred (2,200); and**
    - 45 (ii) **a town having a population of less than one thousand**  
46 **five hundred (1,500).**

47 SECTION 11. IC 4-33-2-5.6 IS ADDED TO THE INDIANA CODE  
48 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
49 1, 2002]: Sec. 5.6. "Cruise" means to depart from the dock while  
50 gambling is conducted.

SECTION 12. IC 4-33-2-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 7. "Dock" means the location where ~~an excursion~~ a riverboat moors for the purpose of embarking passengers for and disembarking passengers from ~~a gambling excursion~~ **the riverboat.**

SECTION 13. IC 4-33-2-11.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 11.5. "Historic resort hotel" means a hotel built before 1930 with at least three hundred (300) sleeping rooms at the time of the hotel's original construction.**

SECTION 14. IC 4-33-2-15.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 15.5. "Patron" means an individual who:**

- (1) boards a riverboat; and**
- (2) is not entitled to receive a tax free pass.**

SECTION 15. IC 4-33-2-16.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 16.5. "Reporting period" means a twenty-four (24) hour increment used by the department under this article, commencing at 6 a.m. on one (1) day and concluding at 5:59 a.m. the following day.**

SECTION 16. IC 4-33-4-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 2. The commission shall adopt rules under IC 4-22-2 for the following purposes:

- (1) Administering this article.
- (2) Establishing the conditions under which riverboat gambling in Indiana may be conducted.
- (3) Providing for the prevention of practices detrimental to the public interest and providing for the best interests of riverboat gambling.
- ~~(4) With respect to riverboats that operate on Patoka Lake, ensuring:~~
  - ~~(A) the prevention of practices detrimental to the natural environment and scenic beauty of Patoka Lake; and~~
  - ~~(B) compliance by licensees and riverboat patrons with the requirements of IC 14-26-2-5 and IC 14-28-1.~~
- ~~(5)~~ **(4)** Establishing rules concerning inspection of riverboats and the review of the permits or licenses necessary to operate a riverboat.
- ~~(6)~~ **(5)** Imposing penalties for noncriminal violations of this article.

SECTION 17. IC 4-33-4-3, AS AMENDED BY P.L.14-2000, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 3. (a) The commission shall do the following:

- (1) Adopt rules that the commission determines necessary to protect or enhance the following:
  - (A) The credibility and integrity of gambling operations authorized by this article.
  - (B) The regulatory process provided in this article.

- 1           ~~(C) The natural environment and scenic beauty of Patoka~~  
 2           ~~Lake.~~  
 3           (2) Conduct all hearings concerning civil violations of this article.  
 4           (3) Provide for the establishment and collection of license fees  
 5           and taxes imposed under this article.  
 6           (4) Deposit the license fees and taxes in the state gaming fund  
 7           established by IC 4-33-13.  
 8           (5) Levy and collect penalties for noncriminal violations of this  
 9           article.  
 10          (6) Deposit the penalties in the state gaming fund established by  
 11          IC 4-33-13.  
 12          (7) Be present through the commission's inspectors and agents  
 13          during the time gambling operations are conducted on a riverboat  
 14          to do the following:  
 15                (A) Certify the revenue received by a riverboat.  
 16                (B) Receive complaints from the public.  
 17                (C) Conduct other investigations into the conduct of the  
 18                gambling games and the maintenance of the equipment that  
 19                the commission considers necessary and proper.  
 20          ~~(D) With respect to riverboats that operate on Patoka Lake,~~  
 21          ~~ensure compliance with the following:~~  
 22                ~~(i) IC 14-26-2-6.~~  
 23                ~~(ii) IC 14-26-2-7.~~  
 24                ~~(iii) IC 14-28-1.~~  
 25          (8) Adopt emergency rules under IC 4-22-2-37.1 if the  
 26          commission determines that:  
 27                (A) the need for a rule is so immediate and substantial that  
 28                rulemaking procedures under IC 4-22-2-13 through  
 29                IC 4-22-2-36 are inadequate to address the need; and  
 30                (B) an emergency rule is likely to address the need.  
 31          (b) The commission shall begin rulemaking procedures under  
 32          IC 4-22-2-13 through IC 4-22-2-36 to adopt an emergency rule adopted  
 33          under subsection (a)(8) not later than thirty (30) days after the adoption  
 34          of the emergency rule under subsection (a)(8).  
 35          SECTION 18. IC 4-33-4-10 IS AMENDED TO READ AS  
 36          FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 10. **If a riverboat**  
 37          **cruises**, the commission shall authorize the route of ~~a~~ the riverboat and  
 38          the stops, if any, that the riverboat may make **while on a cruise**.  
 39          SECTION 19. IC 4-33-4-13 IS AMENDED TO READ AS  
 40          FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 13. (a) **This section**  
 41          **does not apply to a riverboat located in a county having a**  
 42          **population of more than nineteen thousand three hundred (19,300)**  
 43          **but less than twenty thousand (20,000).**  
 44          (b) After consulting with the United States Army Corps of  
 45          Engineers, the commission may do the following:  
 46                (1) Determine the waterways that are navigable waterways for  
 47                purposes of this article.  
 48                (2) Determine the navigable waterways that are suitable for the  
 49                operation of riverboats under this article.  
 50          ~~(b) (c)~~ (c) In determining the navigable waterways on which riverboats

may operate, the commission shall do the following:

(1) Obtain any required approvals from the United States Army Corps of Engineers for the operation of riverboats on those waterways.

(2) Consider the economic benefit that riverboat gambling provides to Indiana.

(3) Seek to ensure that all regions of Indiana share in the economic benefits of riverboat gambling.

~~(4) Considering IC 14-26-2-6, IC 14-26-2-7, and IC 14-28-1, conduct a feasibility study concerning:~~

~~(A) the environmental impact of the navigation and docking of riverboats upon Patoka Lake; and~~

~~(B) the impact of the navigation and docking of riverboats upon the scenic beauty of Patoka Lake.~~

SECTION 20. IC 4-33-4-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 15. The commission shall annually do the following:

(1) Review the patterns of wagering and wins and losses by persons on riverboat gambling operations under this article.

(2) Make recommendations to the governor and the general assembly concerning whether limits on wagering losses should be imposed.

~~(3) Examine the impact on the natural environment and scenic beauty of Patoka Lake made by the navigation and docking of riverboats.~~

SECTION 21. IC 4-33-4-21.2, AS AMENDED BY P.L.215-2001, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 21.2. (a) The Indiana gaming commission shall require a licensed owner to conspicuously display the number of the toll free telephone line described in IC 4-33-12-6 in the following locations:

(1) On each admission ticket to a riverboat ~~gambling excursion~~  
**if tickets are issued.**

(2) On a poster or placard that is on display in a public area of each riverboat where gambling games are conducted.

(b) The toll free telephone line described in IC 4-33-12-6 must be:

(1) maintained by the division of mental health and addiction under IC 12-23-1-6; and

(2) funded by the addiction services fund established by IC 12-23-2-2.

(c) The commission may adopt rules under IC 4-22-2 necessary to carry out this section.

SECTION 22. IC 4-33-6-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1. (a) The commission may issue to a person a license to own ~~one (1)~~ a riverboat subject to the numerical and geographical limitation of owner's licenses under this section, **section 3.5 of this chapter**, and IC 4-33-4-17. However, not more than eleven (11) owner's licenses may be in effect at any time. Except as provided in subsection (b), those eleven (11) licenses are as follows:



(1) Two (2) licenses for a riverboat that operates from the largest city located in the counties described under IC 4-33-1-1(1).

(2) One (1) license for a riverboat that operates from the second largest city located in the counties described under IC 4-33-1-1(1).

(3) One (1) license for a riverboat that operates from the third largest city located in the counties described under IC 4-33-1-1(1).

(4) One (1) license for a city located in the counties described under IC 4-33-1-1(1). This license may not be issued to a city described in subdivisions (1) through (3).

(5) A total of five (5) licenses for riverboats that operate upon the Ohio River from counties described under IC 4-33-1-1(2). The commission may not issue a license to an applicant if the issuance of the license would result in more than one (1) riverboat operating from a county described in IC 4-33-1-1(2).

(6) One (1) license for a riverboat that operates ~~upon Patoka Lake from a county in a historic preservation district~~ described under IC 4-33-1-1(3).

(b) If a city described in subsection (a)(2) or (a)(3) conducts two (2) elections under section 20 of this chapter, and the voters of the city do not vote in favor of permitting riverboat gambling at either of those elections, the license assigned to that city under subsection (a)(2) or (a)(3) may be issued to any city that:

(1) does not already have a riverboat operating from the city; and

(2) is located in a county described in IC 4-33-1-1(1).

SECTION 23. IC 4-33-6-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 3. The commission may not issue an owner's license under this chapter to a person if:

(1) the person has been convicted of a felony under Indiana law, the laws of any other state, or laws of the United States;

(2) the person has knowingly or intentionally submitted an application for a license under this chapter that contains false information;

(3) the person is a member of the commission;

(4) the person is an officer, a director, or a managerial employee of a person described in subdivision (1) or (2);

(5) the person employs an individual who:

(A) is described in subdivision (1), (2), or (3); and

(B) participates in the management or operation of gambling operations authorized under this article;

(6) the person owns an ownership interest of more than ~~ten percent (10%) in more than one (1) other person holding an owner's license issued under the total amount of ownership interest permitted under section 3.5 of this chapter~~; or

(7) a license issued to the person:

(A) under this article; or

(B) to own or operate gambling facilities in another jurisdiction;

has been revoked.

SECTION 24. IC 4-33-6-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 3.5. (a) For purposes of this section, a person is considered to have an ownership interest in a riverboat owner's license if the interest is owned directly or indirectly by the person or by an entity controlled by the person.**

**(b) A person may have up to a one hundred percent (100%) ownership interest in not more than two (2) riverboat licenses issued under this chapter.**

**(c) A person may not have an ownership interest in more than two (2) riverboat owner's licenses issued under this chapter.**

**(d) This section may not be construed to increase the maximum number of licenses permitted under section 1 of this chapter or the number of riverboats that may be owned and operated under a license under section 10 of this chapter.**

SECTION 25. IC 4-33-6-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 6. (a) A riverboat that operates in a county described in IC 4-33-1-1(1) or IC 4-33-1-1(2) must:**

(1) have a valid certificate of inspection from the United States Coast Guard for the carrying of at least five hundred (500) passengers; and

(2) be at least one hundred fifty (150) feet in length.

**(b) A riverboat that operates on Patoka Lake in a county described under IC 4-33-1-1(3) must:**

(1) have the capacity to carry at least five hundred (500) passengers;

(2) be at least one hundred fifty (150) feet in length; and

(3) meet safety standards required by the commission.

**(c) This subsection applies only to a riverboat that operates on the Ohio River. A riverboat must replicate, as nearly as possible, historic Indiana steamboat passenger vessels of the nineteenth century. However, steam propulsion or overnight lodging facilities are not required under this subsection.**

SECTION 26. IC 4-33-6-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 9. (a) A licensed owner must post a bond with the commission at least sixty (60) days before the commencement of regular gambling on the riverboat. ~~excursions.~~**

**(b) The bond shall be furnished in:**

(1) cash or negotiable securities;

(2) a surety bond:

(A) with a surety company approved by the commission; and

(B) guaranteed by a satisfactory guarantor; or

(3) an irrevocable letter of credit issued by a banking institution of Indiana acceptable to the commission.

**(c) If a bond is furnished in cash or negotiable securities, the principal shall be placed without restriction at the disposal of the commission, but income inures to the benefit of the licensee.**

**(d) The bond:**

(1) is subject to the approval of the commission;

(2) must be in an amount that the commission determines will adequately reflect the amount that a local community will expend for infrastructure and other facilities associated with a riverboat operation; and

(3) must be payable to the commission as obligee for use in payment of the licensed owner's financial obligations to the local community, the state, and other aggrieved parties, as determined by the rules of the commission.

(e) If after a hearing (after at least five (5) days written notice) the commission determines that the amount of a licensed owner's bond is insufficient, the licensed owner shall upon written demand of the commission file a new bond.

(f) The commission may require a licensed owner to file a new bond with a satisfactory surety in the same form and amount if:

(1) liability on the old bond is discharged or reduced by judgment rendered, payment made, or otherwise; or

(2) in the opinion of the commission any surety on the old bond becomes unsatisfactory.

(g) If a new bond obtained under subsection (e) or (f) is unsatisfactory, the commission shall cancel the owner's license. If the new bond is satisfactorily furnished, the commission shall release in writing the surety on the old bond from any liability accruing after the effective date of the new bond.

(h) A bond is released on the condition that the licensed owner remains at the site for which the owner's license is granted for the lesser of:

(1) five (5) years; or

(2) the date the commission grants a license to another licensed owner to operate from the site for which the bond was posted.

(i) A licensed owner who does not meet the requirements of subsection (h) forfeits a bond filed under this section. The proceeds of a bond that is in default under this subsection are paid to the commission for the benefit of the local unit from which the riverboat operated.

(j) The total and aggregate liability of the surety on a bond is limited to the amount specified in the bond and the continuous nature of the bond may in no event be construed as allowing the liability of the surety under a bond to accumulate for each successive approval period during which the bond is in force.

(k) A bond filed under this section is released sixty (60) days after:

(1) the time has run under subsection (h); and

(2) a written request is submitted by the licensed owner.

SECTION 27. IC 4-33-6-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 10. (a) An owner's license issued under this chapter permits the holder to own and operate one (1) riverboat and equipment for each license.

(b) **An owner's license issued under this chapter permits the holder to:**

**(1) conduct gambling games authorized under this article while the riverboat is cruising or docked; and**

**(2) allow the continuous ingress and egress of passengers for purposes of gambling.**

(c) An owner's license issued under this chapter must specify the place where the riverboat must operate and dock. However, the commission may permit the riverboat to dock at a temporary dock in the applicable city for a specific period of time not to exceed one (1) year after the owner's license is issued.

~~(c)~~ **(d)** An owner's initial license expires five (5) years after the effective date of the license.

**(e) An owner's license issued under this chapter does not permit the holder to conduct gambling games on a barge.**

SECTION 28. IC 4-33-6-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 11. The commission may revoke an owner's license if:

(1) the licensee begins regular ~~riverboat excursions~~ **operations** more than twelve (12) months after receiving the commission's approval of the application for the license; and

(2) the commission determines that the revocation of the license is in the best interests of Indiana.

SECTION 29. IC 4-33-9-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 3. (a) Except as provided in subsection (b), ~~a riverboat excursions~~ **cruise** may not exceed four (4) hours for a round trip.

(b) Subsection (a) does not apply to an extended cruise that is expressly approved by the commission.

SECTION 30. IC 4-33-9-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 14. (a) This section applies only to a riverboat that operates from a county that is contiguous to the Ohio River.

(b) A ~~gambling excursion~~ **cruise** is permitted only when the navigable waterway for which the riverboat is licensed is navigable, as determined by the commission in consultation with the United States Army Corps of Engineers.

SECTION 31. IC 4-33-10-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 5. An action to prosecute a crime occurring during ~~a gambling excursion on a riverboat~~ shall be tried in the county of the dock where the riverboat is ~~based~~ **located**.

SECTION 32. IC 4-33-12-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1. (a) A tax is imposed on admissions to ~~gambling excursions~~ **a riverboat** authorized under this article at a rate of three dollars (\$3) for each ~~person admitted to the gambling excursion~~ **patron who is on board at the time a passenger count is recorded**.

(b) **Passenger counts must be recorded one (1) hour after the start of each reporting period and once every two (2) hours thereafter under procedures approved by the commission.**

(c) **If the riverboat's schedule as approved by the commission does not provide for the riverboat to be open to the public at the start of the reporting period, passenger counts must be recorded**

1 **one (1) hour after the riverboat begins admitting patrons during a**  
 2 **reporting period and once every two (2) hours thereafter under**  
 3 **procedures approved by the commission.**

4 (d) This admission tax is imposed upon the licensed owner  
 5 conducting the gambling ~~excursion~~ **operation.**

6 SECTION 33. IC 4-33-9-17 IS ADDED TO THE INDIANA CODE  
 7 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 8 1, 2002]: **Sec. 17. (a) This section applies only to a riverboat located**  
 9 **in a historic preservation district described in IC 4-33-1-1(3).**

10 (b) As used in this section, "electronic gaming device" has the  
 11 meaning set forth in **68 IAC 1-1-29.**

12 (c) As used in this section, "live gaming device" has the meaning  
 13 set forth in **68-IAC 1-1-59.**

14 (d) The licensed owner of a riverboat described in subsection (a)  
 15 may not install more than five hundred (500) electronic gaming  
 16 devices on board the riverboat.

17 (e) This section does not limit the number of live gaming devices  
 18 that the licensed owner may install on board a riverboat described  
 19 in subsection (a).

20 SECTION 34. IC 35-45-5-7 IS AMENDED TO READ AS  
 21 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 7. This chapter does not  
 22 apply to the publication or broadcast of an advertisement, a list of  
 23 prizes, or other information concerning:

24 (1) pari-mutuel wagering on horse races or a lottery authorized by  
 25 the law of any state; ~~or~~

26 (2) a game of chance operated in accordance with IC 4-32; **or**

27 (3) **a pari-mutuel pull tab game operated in accordance with**  
 28 **IC 4-31-7.5.**

29 SECTION 35. IC 35-45-5-11 IS ADDED TO THE INDIANA  
 30 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
 31 [EFFECTIVE JULY 1, 2002]: **Sec. 11. This chapter does not apply**  
 32 **to the sale of pari-mutuel pull tab tickets authorized by IC 4-31-7.5.**

33 SECTION 36. THE FOLLOWING ARE REPEALED [EFFECTIVE  
 34 JULY 1, 2002]: IC 4-33-2-8; IC 4-33-4-19; IC 4-33-9-2; IC 4-33-12-2.

35 SECTION 37. [EFFECTIVE JULY 1, 2002] (a) **The Indiana horse**  
 36 **racing commission shall adopt the emergency rules required under**  
 37 **IC 4-31-7.5-11, as added by this act, before September 1, 2002.**

38 (b) **This SECTION expires December 31, 2002."**

(Reference is to SB 240 as printed January 25, 2002.)

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Senator NUGENT